

SOLO.NET
311 Wimbledon Park Road
Southfields
London
SW19 6NP

Soo Williams
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

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Dear Soo,

Please find below the responses from SOLO.NET, a community radio group for South West London, to the 'Licensing Community Radio' consultation document.

If you have any questions please do not hesitate to contact us.

Thanking you in advance.

Yours sincerely,

Steve Garnett and Richard Hilton

Question 1: What role should Ofcom have in respect of community radio, beyond the licensing of the new services?

We would like to see Ofcom *pro-actively* nurture and support community radio through a range of initiatives such as arranging visits to community radio stations from local business leaders, journalists, politicians and others in the broadcasting industry. Additionally, Ofcom should encourage companies, especially larger corporate bodies and trade unions, to develop budget strategies that do not preclude the support of both community & commercial radio services in the same area - there is no reason at all that both cannot co-exist within an enlightened financial structure.

It is also important that the role of community radio *within* Ofcom is highlighted. Although dwarfed in comparison by commercial radio and television it will provide a vibrant sector that should be championed by all those working within the organisation.

We believe that Ofcom should undertake the role of active promotion simply because the stations concerned are likely not to have the means to do this themselves, possibly even within their own catchment areas, as this would appear to be work that will not bring any *immediate* tangible benefits to the station.

Question 2: Do you agree with our proposed policy for the allocation of spectrum and the size of coverage areas for community radio services?

We applaud the proposal that community radio should have a higher priority for scarce resources (paragraph 29). However, we would like Ofcom to recognise that the permanent siting and technical requirements of a community radio transmitter will possibly require more careful consideration than an equivalent RSL transmitter in terms of ensuring an adequate coverage of their target audience, certainly for FM stations in anything other than flat rural areas.

Question 3: Do you agree that community radio should be an applicant-led process with an annual 12-week period when applications can be submitted for any neighbourhood or community in the UK.

No, we do not agree with this proposal at all.

A good application created outside the 12 week period will lose any impetus. The arbitrary delay caused by only accepting licence applications during a 12 week period will make this inevitable. Community-based organisations are very unlikely to function with the same

organisational discipline that a commercial operator should be able to, and imposing this sort of restriction does not seem to be within the spirit of the proposed act.

In the first year, this scheme will be of advantage to groups already in an advanced state of preparedness but will distinctly disadvantage groups who wish to develop plans within 3 to 6 months, as they will have to wait for 9 months before they can even submit an application.

Instead we would propose that the application process should be treated similarly to any other local planning application; it can be presented at any time, and Ofcom would have to make a considered response to it within 12 weeks. This would allow time for commercial operators who think that they might be affected by the proposal to formulate a response, as you have proposed.

We can see no good reason for community radio having to be licensed via the same basic procedure that a commercial operator would - the services being provided are essentially different, and arising from a completely different ethos.

Question 4: Do you agree with Ofcom's proposal to invite submissions from commercial radio operators if they consider that their economic viability might be affected from the sale of advertising and sponsorship, or should this be decided on a case by case basis?

Natural justice dictates that you can't deny commercial radio operators their say, but Ofcom must beware that they are likely to cry 'Wolf' rather often. Until community radio is firmly established and the commercial operators finally realise it is *not* a threat to their natural commercial small business inclinations, we suspect that they will be crying 'Wolf' as loudly and as often as possible.

We would argue that giving them a deadline of only one month to submit their 'specific and quantifiable evidence' (paragraph 51) fits in with the proposal that Ofcom should respond to applications within a 12 weeks period (see response to question 3). We would expect the evidence they submit would be part of the proposed Ofcom considered response and also available on the Ofcom website.

Question 5: Should there be a general limit of 50% of annual income that community radio stations are permitted to obtain from the sale of advertising and sponsorship, or should this be decided on a case by case basis?

We would argue that there should be not such limit. It is unrealistic, impractical and counter-productive.

First of all, how do you define annual income? If it is by the traditional accounting rules then this often takes no account of the non-financial support to the station such as the value of volunteers or people seconded to the station or donated services such as free legal advice, premises or printing.

Secondly it is easy to envisage the following situation occurring: A community radio station sets its budgets based on a level of anticipated or promised public sector funding and successfully raises advertising and sponsorship up to the limit set by Ofcom, based on that public sector funding. In the final quarter of the financial year that public sector funding might be withdrawn or severely curtailed due to circumstances completely beyond the community radio station's control. The community radio station would be in the position of:

- a) having a shortfall of public sector funding in the final quarter. Public sector funding is a source of funding that is very difficult to raise at the best of times and especially difficult towards the end of the financial year, and
- b) not being able to make up the shortfall of income from commercial sources due to the artificial limit set by Ofcom.

So having lost its public sector funding it can't make it up from the private sector, even if the private sector is willing and able to help, as it would go over the limit set by Ofcom. This is clearly an invidious and ludicrous position for a community radio station to be in.

We might easily get the case where we have local companies, whose understanding of corporate social responsibility (CSR) leads them to appreciate the value of community radio. However, they would be unable to support their community radio station through the traditional ways of advertising or sponsorship, as this would take the station over the artificial limit imposed by Ofcom. Cynics who argue the companies should then simply donate the money misunderstand the way companies (especially small ones) operate. Acting on behalf of their shareholders they have to show value, even if it difficult to perceive, for their money.

Given the financial model that most community radio stations will operate under (with, perhaps, a couple of employed staff, donated or low rent premises), the selling of advertising and sponsorship is a skill most of them will struggle with and yet will be income essential to their survival. In terms of value (compared with commercial operators) it will be small but it could often be the only thing between surviving or going under.

There is also a moral and ethical reason why advertising and sponsorship for some community radio stations should not be limited. Advertisers aren't stupid and they will have a clear idea of the programmes that community radio carry and the target audience they are aimed at. This will

be especially true if Ofcom use the Government's Index of Multiple Deprivation in deciding between applicants (paragraph 67), which is something we would *actively* encourage Ofcom to do.

Given the audience community radio stations will be addressing, the numbers of possible advertisers and sponsors will be severely limited to start with; most advertisers are simply not going to be interested. However, many of those who do advertise will be essential in helping to promote social gain in the area. They will be advertisers such as central government or training bodies who are pumping funds into these areas to improve the lot of both the area and the people living there. How can one turn round and say to a community radio station that there is a limit to such advertising they can carry to areas of such deprivation?

Imagine how it will look if Ofcom disallows a community radio station carrying advertising for a Central Government race awareness initiative just after the BNP candidate nearly won a local Council by-election because it would take them over the 50% limit?

We therefore strongly believe there is a clear case that community radio stations primarily broadcasting to areas of multiple deprivation areas should be subject to *no* constraints on the amount of advertising or sponsorship they carry.

Above all we should not lose sight of the fact that community radio stations will be 'not for profit'. If they have a successful financial year they will plough the surpluses (not profits) back into the radio station to build their reserves for the inevitable rainy day and *not* into the pockets of shareholders.

Question 6: Are you content with Ofcom's proposals for the submission of applications?

Broadly speaking these seem sensible and should be sufficient for Ofcom to reach a decision, but please refer to our response to Question 3 where we believe the timing is unhelpful.

Question 7: Are you content with Ofcom's proposals for the order in which it will consider applications in the first year?

Realistically it will be almost impossible to satisfy everyone but, on balance, the approach proposed by Ofcom will probably only satisfy those applicants in an advanced stage of preparedness. Specifically it will disadvantage fresh and enthusiastic applicants who will have to wait until the next three-month period. It is quite unrealistic to expect a sensibly developed application to be prepared within the proposed 12-week period after the bill reaches the statute books.

Question 8: Aside from the Government's selection criteria, what other criteria should Ofcom use when deciding between applications?

As we said in our response to question 5 we would strongly encourage Ofcom to use the Government's Index of Multiple Deprivation in deciding between applicants, but recognise that there are other potential issues to consider as well.

Specifically, we would also encourage Ofcom to consider one other major factor: music. This is alluded to in paragraph 12 where it is stated that "there is little point in a new sector that sounds just the same as commercial radio or the BBC". There is also a reference in paragraph 46 to "the extent to which the service would cater for tastes and interests different from those already catered for". Apart from this there is little mention of music in the consultation document.

One of the most usual and frustrating ways that radio stations can sound the same is through the choice of music. We would actively encourage Ofcom to discriminate in favour of community radio applicants whose 'promise of performance' or application includes a commitment to a music policy that is different from and additional to the existing radio services.

Commercial radio operates within a financial model that requires the maximisation of their audience which inevitably leads to a constrained music policy often dictated by playlists based on the increasingly discredited pop charts and other erroneous factors (e.g. which pop star is on the front page of the newspapers this morning). Community radio stations, as not for profit organisations, would not be constrained by these considerations, and Ofcom should look for a far wider variety of music to be played from community radio stations.

Good community radio stations will have the courage to play a demo tape from the band at the college down the road followed by a track from a world music diva followed by 'Savoy Truffle' from the rarely played 4th side of the 'White Album'. Good community radio stations also won't be afraid to broadcast large amounts of music from the ethnic groups within their community.

As music forms such a large part of the output for most radio stations, we were somewhat surprised that this aspect of a community radio stations output was not covered in greater detail.

So in general, at this stage we would like to say that we *do* have reservations about the proposed system for 're-advertisement of licences'. The whole process still appears to be based on what amounts to a 'beauty contest' (para 44 *et seq*) which seems *curiously* inappropriate considering the ideals of community radio. There appears to be *no* public

mechanism for reconciliation of similarly worthy applications from adjoining areas - this area of policy seems somewhat inchoate.

Maybe this explains the rather ominous sentence at the end of para 45: '...as those will not represent the only basis on which decisions will be made' *could* represent the situation re frequency availability, but seems to imply that there also might be other considerations that have not been specified.

Question 9: Are you content with the proposal for listing a station's key commitments in its licence?

Broadly speaking; yes. As with question 10 re the annual report this should something community radio stations should be proud of and not regarded as an onerous obligation.

Question 10: Are you content with Ofcom's proposal that each station should produce an annual report?

As part of the process of review and appraisal this should be encouraged. Most will have to produce (audited) accounts and linking this with an annual report makes sense.

Although Ofcom will have to make it clear that this is a legal obligation and should be 'true and fair' they should actively encourage community radio stations to approach this task as a way of "celebrating success" rather than as a tedious but necessary regulatory chore.

Question 11: Do you have suggestions on how we might research the impact of community radio services on target communities or on other methods of seeking feedback from communities?

Community radio is not a numbers game. It is not about the largest audience reach or achieving the biggest number from a particular social-economic group. Its impact doesn't come through the number of listening hours or the number of car stickers.

Impact is the teenager from a family with three generations of unemployed living on the local sink estate who gets a job based on the experience, confidence and training they received volunteering on the station.

Impact is twice as much money being raised at the local Oxfam 'bring & buy' fund raising day than last year because this time Oxfam were part of an awareness raising campaign run by the station as part of their support for charities in the area.

Impact is the schoolgirl who now insists her boyfriend wears a condom when they have sex because she listened to a 'safe sex' programme the girls in the sixth form at her school made.

Impact is the look on the faces of the band from the college down the road as they listen to their demo tape being played on the radio for the first time and they begin to realise that perhaps this could be for real.

A research strategy would need to take account of the foregoing example types of impact in order to reflect the true value of the station. This type of social research has to be planned carefully in order to be effective as an information gathering strategy. For example, the use of simple performance indicators, because they can only be generalised, would be a particularly blunt instrument. We also realise that social research is expensive to carry out, and suspect that however good the intentions are, unless a significant budget is set aside for this, the results are likely to be deceptive.

Other Matters

Issues of training seem to have been removed from this consultation document, and we believe that this is a significant omission. We would like to see at least a part of the Community Media Fund set aside specifically for training purposes, as this would clearly constitute 'social gain'.